Consolidation Update

Information

This item provides an update on the Department of Technology Services' consolidation efforts.

Summary

Since July 2005, the Department of Technology Services (DTS) has been consolidating many of its functions and activities. This initial consolidation effort is scheduled to complete on June 30, 2006. The narrative below describes the major consolidation activities completed to date.

In addition, over the next four years, the DTS expects to (1) implement a number of efficiencies, (2) consolidate various contracts, and (3) eliminate some of its facilities. The DTS also expects to implement some cost avoidance measures in the areas of contracts and services. Figure 2 provides the estimated annual savings targets and the cost avoidance measures implemented to date. These combined efforts are expected to result in a cumulative savings of $117 million over a four year period starting with the current fiscal year.

Strategic Plan

The Strategic Plan details the DTS organization and the business environment under which it operates. The purpose of the Strategic Plan is to provide DTS management with a five-year road map on which to guide decision-making and define: the enabling initiatives with clear/consistent direction, goals, objectives strategies, and measurements.

DTS Re-Organization

The new organization structure positions the DTS to deliver end-to-end technology services/business solutions to its customers and enhance the efficiency and effectiveness of their respective business programs. This new organization structure includes the establishment of the Policy and Planning Division (PPD), which will be responsible for the administration and support of the Technology Services Board, external communications control and monitoring, stakeholder assessments and strategic planning. The new PPD will facilitate the planning and implementation

activities necessary for the DTS to become the technology service/solutions provider envisioned with the department's inception.

In addition, the Business Development Division has been renamed the "Customer Delivery Division (CDD)." The CDD will create a sharper focus on technology solutions and customer needs with an eye on the growing and changing IT needs of the State's programs. The CDD, via proactive outreach activities, will be a critical enabler promoting the Department's goal of evolving into a world-class technology solutions/service provider.

Facilities Study

The DTS maintains seven facilities for an annual cost of $8.7 million. In November 2005, the DTS completed an analysis of these facilities and its space needs. This analysis lead to the adoption of a facilities plan, which will phase out a number of DTS' facilities over the next three years.

Videoconferencing

The goal of this project was to implement and enable a "user-friendly and easy-to-use" video conferencing network, which connects the three DTS campuses and the State and Consumer Services Agency.

Renamed Office of Network Services to Statewide Telecommunications and Network Division

The Department of General Services unit, formerly known as the Office of Network Services, has been renamed the Statewide Telecommunications and Network Division (STND). The new division name reflects its new position as part of the DTS.

STND Infrastructure

This project transitioned and integrated STND staff into the DTS organizational schema. The absorbed technical infrastructure and supportive services included: network, servers, desktops and applications. This effort included replacing and upgrading all STND staff workstations to meet the DTS desktop standard and migrating data files and e-mail addresses.

Established Common Help Desk Process

Departmental staff designed an integrated problem and change management system using the Remedy software tool suite. This new design enables the sharing of problem tickets among campuses.

Implemented Inter-campus Communications Link

A high-speed connection between the Gold Camp and Cannery campuses has been installed and tested. This connection will support message traffic for the "adopt and go" implementation of shared local area network services, single e-mail, and shared in-house applications including Remedy and PeopleSoft. A redundant backup connection, which will mitigate single point of failure issues, is in the process of being implemented.

Configured Directory Servers

The network servers that will support the single inter-campus directory structure (Microsoft Active Directory project) have been installed and configured. At completion, this project will provide shared data and network access to both the Gold Camp and Cannery campuses.

Defined DTS Internet WEB Presentation

The DTS staff has developed a content mapping and presentation strategy/hierarchy (navigation) model for the DTS Internet website. Based on this model, DTS staff is initiating an effort to revise its DTS Internet site.

Annual Savings Targets and Cost Avoidance

The DTS expects to receive annual savings through the implementation of various efficiencies, consolidation of contracts, and reductions in the number of facilities. On annual basis, the DTS will identify possible categories of savings and develop annual savings targets. Figure 1 provides its estimated cumulative savings targets in four possible savings categories. These cumulative savings are over a four year period starting with the current fiscal year.

Figure 1
Estimated Cumulative Savings Targets
2005/06 – 2008/09
(In Millions)

Savings Category	Cumulative Savings
Facilities	$4.7
Contracts	21.7
Network	2.8
Personnel	16.5
Total	**$45.6**

In addition, the DTS expects to implement cost avoidance measures in the areas of contracts and services. Figure 2 provides the annual savings targets and the actual annual cost avoidance resulting from one recently negotiated software contract by fiscal year.

Figure 2
Annual Estimated Savings Targets & Actual Cost Avoidance
By Fiscal Years
(In Millions)

Fiscal Year	Savings Target	Cost Avoidance	Total
2005/06	1.0	6.3	7.3
2006/07	6.0	8.4	15.0
2007/08	7.5	8.4	15.9
2008/09	8.8	4.2	13.0
Total	**$23.2**	**$27.3**	**$51.2**
Cumulative Totals	**$45.6**	**$71.4**	**$117.0**